

Middle Class Tax Cuts

The Normans' Story: Tax-Free Adoption Assistance

Each year, Minnesota families make the choice to adopt – bringing children into their homes and lives, providing love and care for young people who may not otherwise have a family. But adoptions can be expensive, sometimes costing tens of thousands of dollars from start to finish.

Kristy and Aaron Norman of Rochester had always dreamed of raising a family. And thanks to adoption, they are now the proud parents of two young children.

Raising children can be expensive, especially for a young family. Costs for child care, medical care, and clothing can add up quickly. But there is one expense the Normans did not expect when they adopted their daughter last year: state adoption taxes.

When the Normans adopted their daughter in July 2013, Aaron's employer helped defray half of the \$20,000 it took to complete the adoption process. The Normans were grateful for the generous help of Aaron's employer.

But after paying \$10,000 of their own money to complete the adoption process, Kristy and Aaron found out they would still owe between \$700 and \$800 in state taxes on the reimbursement they received from Aaron's employer. The Normans were surprised that the state would make adoption more expensive. After all, Aaron pointed out, "Minnesota should encourage adoption, not hinder it."

That is why this session, Governor Dayton and the Minnesota Legislature worked to eliminate state taxes on adoption assistance, which will save the Normans and other adoptive parents hundreds of dollars this year, and may help encourage more families to make the choice to adopt a child in Minnesota.

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This year, Governor Dayton and the Minnesota Legislature worked quickly to enact \$508 million in tax cuts that will benefit over 1.2 million middle class Minnesotans, and thousands of Minnesota businesses. Some of those tax cuts took effect immediately, including the option for Minnesota employers to offer financial assistance for adoptions to their employees, 100 percent tax free.



Governor Mark Dayton and the Minnesota Legislature enacted a new law this session, ensuring financial assistance Minnesotans receive from their employers during the adoption process is 100 percent tax free.

Thanks to these new tax cuts, Kristy and Aaron Norman of Rochester will not have to pay \$700 to \$800 in state taxes they would have otherwise owed for the adoption assistance they received from Aaron's employer in 2013.



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